

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

-----In the Matter of-----) DOCKET NO. 2008-0273
)
PUBLIC UTILITIES COMMISSION)
)
Instituting a Proceeding to)
Investigate the Implementation of)
Feed-in Tariffs.)
_____)

THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM'S
INFORMATION REQUESTS TO THE HECO COMPANIES ON THEIR PROPOSED
QUEUING, INTERCONNECTION PROCEDURES, AND RELIABILITY STANDARDS
AND

CERTIFICATE OF SERVICE

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PUBLIC UTILITIES
COMMISSION

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**THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM'S
INFORMATION REQUESTS TO THE HECO COMPANIES ON THEIR PROPOSED
QUEUING, INTERCONNECTION PROCEDURES, AND RELIABILITY STANDARDS**

The Department of Business, Economic Development, and Tourism ("Department" or "DBEDT"), by and through its Director ("Director") in his capacity as the Energy Resources Coordinator, through the undersigned Deputy Attorney General, hereby submits to the Hawaii Public Utilities Commission ("Commission") its information requests to the HECO Companies relating to their *"Report on Queuing and Interconnection Procedures"* and *"Report on Reliability Standards"* filed on February 1, 2010 and February 8, 2010, respectively. These two reports embody the HECO Companies' proposals on queuing, interconnection procedures and reliability standards that will govern the implementation of feed-in tariffs.

**DBEDT's Information Requests on the HECO Companies' Proposed
Queuing and Interconnection Procedures**

(The referenced pages refer to the pages in the HECO Companies
"Report on Queuing and Interconnection Procedures" filed on
February 1, 2010.)

DBEDT/HECO-IR-1: Ref.: Page 7.

- a) Please provide the workpapers used in the determination of the Tier 1 and Tier 2 application fees and the refundable Tier 2 reservation deposit.
- b) Please explain how HECO determined or assessed that a proposed application fee of \$200 for Tier 1 and \$10/kW up to \$1,000 for Tier 2 are the appropriate fees to discourage frivolous projects while not creating a barrier to entry for smaller developers. Please provide the supporting analysis and workpapers.
- c) Please indicate whether or not the refundable reservation deposit will include interest and the applicable interest rate. If it is not, please explain why not.

- a) Please specify all the required information and documents in addition to the Application Form for a complete application submittal.
- b) Please explain how projects will be selected for the queue and offered a Schedule FiT Agreement.
- c) Please indicate the timeline (i.e., how long) after submission of a completed application and when a project is selected for a queue and offered a Schedule FiT Agreement.
- d) Please indicate the timeline (i.e., how long) for the HECO Companies to complete the project assessments indicated under "Queuing Procedure" on page 8 after receipt of the completed "Application Package" from the applicant.

DBEDT/HECO-IR-3: Ref: Pages 8-10.

- a) Please explain how projects will be ranked or assigned a place in the queue.
- b) Please indicate the timeline (i.e., how long) for the HECO Companies to complete the interconnection assessment and review process of a project as indicated on pages 8 and 9.
- c) Please indicate the timeline (i.e., how long) for the HECO Companies to complete an IRS and provide the results to the applicant.
- d) Please provide the steps for interconnecting a project to the grid.
- e) What are the timelines and milestones that a project must achieve to maintain its place in the queue, or stay in the queue?
- f) Please describe Hawaiian Electric's mechanisms or conditions for applicants to apply for extensions for the amount of time needed to meet project development milestones prior to dropping from the queue.
- g) Will the amounts of the incremental releases of capacities be subject to Commission approval? If not, why not?
- h) Are the proposed "Reliability Team's" reassessment activities subject to the IO oversight? If not, why not?
- i) When the incremental capacity releases are filled, will the application be closed to new applicants or will HECO continue to accept applications and place applicants in a waiting list? If not, why not?
- j) When a project drops out from the queue, how will that project's place in a queue be filled?
- k) Please provide a summary of the queuing steps.
- l) Please provide a summary of the interconnection steps.
- m) Please indicate the HECO Companies' estimate of the timeline from application to interconnection for Tier 1 projects.

- n) Please indicate the HECO Companies estimate of the timeline from application to interconnection for Tier 2 projects.

**DBEDT's Information Requests on the HECO Companies' Proposed
Reliability Standards**

(The referenced pages or attachments refer to the pages or attachments in the HECO Companies "Report on Reliability Standards" filed on February 8, 2010.)

DBEDT/HECO-IR-4: Ref.: Exhibit 1, Pages 2-3.

- a) Please explain what "operational measures" means as used in footnote #1.
- b) Please provide the "different operational measures" that apply to each of the HECO's island systems (HECO, HELCO, and MECO) as referred to in footnote #1.
- c) Please provide the "reliability standards" that HECO developed which "would (1) define the circumstances in which FiT projects can or cannot be incorporated on each island without markedly increasing curtailment, either for existing or renewable projects; (2) allow the utilities to maintain system reliability; (3) avoid unreasonable costs to ratepayers; and (4) allow a developer of a renewable energy project to be able to gauge the probability that its project could be developed on a particular grid system." Please provide the "reliability standards" for each of the four conditions cited.
- d) Please provide the "reliability standards" that HECO developed that "complement existing standards, including those in the HECO Companies' tariff Rule 14H, and should provide greater predictability with respect to reliability issues for developers" as required by the Commission's decision and order.

DBEDT/HECO-IR-5: Ref.: Exhibit 1, Pages 6-17.

- a) Please specify and describe what "targeted studies to address specific system impacts" are required and planned by HELCO to accommodate higher levels of penetration of variable renewable energy generation on the HELCO grid.
- b) Please indicate when these studies will commence and how long it will take.
- c) Please provide a list of the specific "system issues which negatively impact reliability" that are caused by the "present levels of distributed generation" on the HELCO system. Please provide the data that evidenced their occurrence.
- d) Please specify what "reliability standards" that are currently used by HELCO are specifically impacted, and how, by the existing levels of variable renewable generation penetration on the HELCO grid.
- e) Please provide all data on the frequency and duration of curtailments of each of the existing variable renewable generation on the HELCO system for the last three years.
- f) Please specify the procedure used by HELCO to curtail each of the existing variable renewable generation due to "system reliability issues".
- g) Please provide the specific "system issues" that prompted the need for each of the curtailments of each of the existing variable generation on the HELCO system for the last three years.
- h) Please provide a list of the specific actions taken by HELCO to address the "system issues" in each instance in addition to curtailing the existing variable generation.
- i) Please provide the frequency and duration of load shedding implemented by HELCO in the last three years that were specifically caused by the existing levels of variable renewable generation on the HELCO system.
- j) Please provide data supporting that the occurrence of these load shedding.
- k) Wouldn't deferral of NEM requests as proposed for the HELCO and MECO systems violate statute, specifically

Chapter 269, Part VI, HRS? If not, please explain why not.

- l) Is it the HECO Companies' belief that the Commission has the statutory authority to suspend the implementation of the statute on NEM?
- m) Has HELCO quantified its fossil-fuel savings during the last three years due to the existing levels of renewable generation on its system? If yes, please provide the quantified savings. If no, please explain why not.
- n) Has MECO quantified its fossil-fuel savings during the last three years due to the existing levels of renewable generation on its system? If yes, please provide the quantified savings. If no, please explain why not.
- o) Please specify the projects that are included in the "planned" DGs indicated in Table 3, page 15. Please indicate which ones are NEM projects.
- p) Please specify the projects that are included in the "planned/proposed" DGs included in Table 4, page 25. Please indicate which ones are NEM projects.
- q) Please explain how the queuing process will apply to the non-FIT projects - i.e., how non-FiT projects will be ranked or assigned a place in the queue list. For instance, will the PPA projects that are being negotiated be assigned at the top of the queue list?

DBEDT/HECO-IR-6: Ref.: Attachment 2

- a) Please provide the names, titles, and agencies represented by the "task force created to identify areas of concern and study" for the HELCO system mentioned on page 3 of the referenced attachment.
- b) Please identify the "task force" recommendations provided in the referenced attachment that HELCO has implemented.

DATED: Honolulu, Hawaii, February 16, 2010.



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Certificate of Service

I hereby certify that I have served a copy of the Department of Business, Economic Development, and Tourism's Information Requests to the HECO Companies on their Proposed Queuing, Interconnection Procedures, And Reliability Standards in PUC Docket Number 2008-0273, by electronic transmission on the date of signature to each of the parties listed below.

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